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RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
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INFO RUEHFK/AMCONSUL FUKUOKA 4348
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RUEHOK/AMCONSUL OSAKA KOBE 8149
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E.O. 12958: N/A

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SUBJECT: TOKYO MEDIA REACTION - CHINA

¶1. LEAD STORIES: Wednesday morning's Asahi gave top play to the disclosure by several sources close to the DPRK leadership that North Korean leader Kim Jong Il has selected his third son Kim Jong Un as his heir.

¶2. "Treasury Secretary Shows 'Low Key' Attitude in China" The conservative Sankei wrote from Beijing (6/3): "Throughout his trip to China, Treasury Secretary Geithner stressed the importance of Sino-U.S economic cooperation and the security of U.S. Treasury bonds while refraining from criticizing China. His 'softening' approach toward China was obvious. The first U.S.-China economic dialogue by high-ranking officials under the Obama administration left the impression that the Chinese are the ones who hold the initiative [in bilateral economic relations]."

¶3. "Geithner Stops Short of Criticism on Issue of Yuan" A correspondent for the business-oriented Nikkei reported from Beijing (6/3): "By briefing Chinese leaders on the Obama administration's policy of halving the U.S. budget deficit in four years, Treasury Secretary Geithner effectively explained this position as a U.S. policy commitment to China. The Secretary also did not take up the issue of the Chinese yuan. His China trip symbolized that the focus of attention in bilateral economic relations has shifted from the issue of the Chinese yuan to U.S. Treasury bonds, and that China is now seizing the initiative."

¶4. "Political Reform Imperative for Qualification as a Great Nation" The liberal Asahi editorialized (6/3): ".... [During her recent trip to China] House Speaker Pelosi did not address the issues of human rights and Tibet, saying that global warming was the major topic for discussion. More problems that require China's deeper engagement have been emerging, such as North Korea's nuclear development, in addition to the issues of the global economy and global warming. It would be extremely unfortunate if there were a sentiment in which foreign countries refrain from criticizing or offering advice on

Chinese domestic politics out of deference to China.... Political reform must be undertaken sooner or later. It might be a painful process, but China is expected to become a dignified and well-balanced neighbor."

15. "China Still Grappling with Aftermath of Tiananmen Square" The business-oriented Nikkei insisted in an editorial (6/3): "Following the Tiananmen Square incident, China became internationally isolated. The U.S., Europe, and Japan called for democratization and improvement on the human rights front by imposing sanctions. However, pressure from these nations has weakened in view of the rise of Chinese economic power and out of deference to the Chinese Communist Party. The U.S. is in a situation under which its economic reconstruction will be difficult without China's purchase of U.S. Treasury bonds.... China's international presence will continue to grow. The Chinese Communist Party's current position of being negative about democratization and human rights could have negative effects on the world."

ZUMWALT